

Functional Series 300: Acquisition and Assistance
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Interim Update, Series 500, #20, "Use of the Purchase Card in USAID/W Under \$2,500 Bureau/Office Administrative Budgets," dated May 13, 1999

- FAR 1.3
- FAR 2.101
- FAR Subparts 1.4 and 1.6,
- AIDAR Subparts 701.3, .4 and 701.6
- AIDAR 713.000
- FAR 2.101
- AIDAR 702.170-13

Functional Series 300: Acquisition and Assistance
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331.1 Authority

1. The Office of Federal Procurement Policy (OFPP) Act of 1974 (Pub. L. 93-400), as amended by Pub. L. 96-83.
2. OFPP Policy Letter 85-1, Federal Acquisition Regulations System, dated August 19, 1985.
3. Foreign Assistance Act of 1961, as amended, Section 621(b)
4. Executive Order 11223

331.2 Objective

This chapter contains the policies and essential procedures for procurements at or below the Simplified Acquisition Threshold (SAT), which is currently \$100,000 **(See Mandatory Reference, FAR 2.101)**, including micropurchases.

331.3 Responsibility

1. Procurement Executive: **(See Mandatory References, Federal Acquisition Regulation (FAR) 2.101 and USAID Acquisition Regulation (AIDAR) 702.170-13 for a description of the Procurement Executive's authorities and organizational placement in the Agency's Management structure.)** The procurement executive is responsible for:
 - a. Management direction of USAID's procurement system, including implementation of USAID's unique procurement policies, regulations, and standards. **(See Mandatory References, FAR 1.3 and AIDAR 701.3.)**
 - b. Overseeing the development of the system, evaluating system performance in accordance with approved criteria, and certifying to the Administrator, through the Assistant Administrator for Management, that the USAID procurement systems meets approved criteria.
 - c. Selecting and appointing contracting officers and terminating their appointments.
 - d. Exercising, in person or by delegation, other authorities as stated in the Federal and USAID Acquisition Regulations **(See Mandatory References, FAR Subparts 1.4 and 1.6, and AIDAR Subparts 701.4 and 701.6.)**

e. Approving contractor salaries exceeding the maximum for Executive Service level 6.

2. Bureau for Management, Office of Procurement (M/OP) is responsible for providing or procuring all operational support, commodities, and/or services for USAID/W units and personnel within specified authorities and limitations.

3. The Agency Program Coordinator of the GSA Smart Pay Purchase Card Program is responsible for implementing and administering the credit card program within the Agency, both in domestic and overseas operations, and also serves as the primary liaison with the General Services Administration (GSA) and the contractor (bank) on matters related to the overall program management. The Agency Program Coordinator is a staff member of the Office of Procurement, Office of the Director (M/OP/OD.)

4. The Approving Official is responsible for establishing purchase limits for cardholders, based on budget considerations; for monitoring credit card purchases when notified that office purchases have reached 80% of the monthly office limit; and administering the monthly reconciliation process for each Cardholder account and approval of payment.

331.4

Definitions (See GLOSSARY)

ACQUISITION

AGENCY HEAD

APPROVING OFFICIAL

CERTIFICATE OF APPOINTMENT (SF 1402)

CONTRACT

CONTRACT ADMINISTRATION OFFICE

CONTRACTING ACTIVITY

CONTRACTING OFFICE

CONTRACTING OFFICER

DELEGATION OF AUTHORITY

EXPENDABLE SUPPLIES

HEAD OF THE AGENCY

HEAD OF CONTRACTING ACTIVITY (HCA)

INTERNATIONAL MERCHANT PURCHASE AUTHORIZATION
CARD (IMPAC)

MICRO PURCHASES

OFFER

SIMPLIFIED ACQUISITION PROCEDURES (SAP)

SIMPLIFIED ACQUISITION THRESHOLD (SAT)

SUPPLIES

WARRANT

331.5 POLICY

The statements contained within the .5 section of this ADS chapter are the official Agency policies and corresponding essential procedures.

331.5.1 AUTHORIZED VERSUS UNAUTHORIZED COMMITMENTS

Regardless of the source of funds, only individuals with contracting authority shall enter into a contract on behalf of USAID, or authorize or direct a vendor or contractor to provide supplies or perform work. Any person other than an officially designated contracting officer who requests, authorizes, or directs a vendor or contractor to provide supplies or perform work directly violates Agency policy, and shall be subject to personal financial liability for any expenses incurred.

E331.5.1 Authorized Versus Unauthorized Commitments - N/A

331.5.2 PROCUREMENT AUTHORITY

SIMPLIFIED ACQUISITION PROCEDURES: The procurement executive has delegated limited contracting authority to individuals in the Bureau for Management, Office of Procurement (M/OP) who solely execute Simplified Acquisitions Procedures (SAP) transactions as follows.

a) Authority to execute procurement actions on the open market up to \$100,000 for supplies and services. The \$100,000 ceiling applies to the cost of supplies and services exclusive of the cost of transportation and other accessorial costs if their destination is outside the United States **(See Mandatory Reference, AIDAR 713.000)**.

b) Unlimited authority when ordering against the General Services Administration (GSA) or other established U.S. Government ordering agreements.

MICRO PURCHASES: The micro purchase threshold is currently \$2,500 per transaction **(See Mandatory Reference, FAR 2.101.)** All warranted contracting officers are authorized to execute micro purchases. Appointed non-procurement personnel may be issued a U.S. Government Credit Card and given authority to procure goods and services within the constraints of their individual office budgets and at predetermined credit limits not to exceed \$2,500 per transaction.

E331.5.2 Procurement Authority - N/A

331.5.3 USE OF THE GOVERNMENT PURCHASE AUTHORIZATION CARD

All operating expense funded procurements for commodities and services eligible for purchase on the card below \$2500 in value must be processed on those cards issued to cardholders within the respective offices and Bureaus and are not to be forwarded to M/OP for processing. Exceptions may be made by M/OP contracting officers responsible for Simplified Acquisition Procedures (SAP) only after review of the circumstances of each case in advance of the procurement. All Federal procurement regulations apply to procurements made by use of the purchase authorization card.

E331.5.3 Use of the Government Purchase Authorization Card

Individual purchases of \$2,500 or more will be processed through the A&A Applications small purchases **module of the New Management System (NMS)**. **(See Mandatory Reference, Interim Update, Series 500, #20, "Use of the Purchase Card in USAID/W Under \$2,500 Bureau/Office Administrative Budgets", dated May 13, 1999)**

331.5.4 CONFERENCE AND MEETING FACILITIES/SERVICES

RESERVED

E331.5.4 Conference and Meeting Facilities/Services

RESERVED

331.6 Supplementary Reference - N/A

331.7 Mandatory Reference

Interim Update, Series 500, #20, "Use of the Purchase Card in USAID/W Under \$2,500 Bureau/Office Administrative Budgets," dated May 13, 1999
FAR 1.3
FAR 2.101
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AIDAR Subparts 701.3, .4 and 701.6
AIDAR 713.000
FAR 2.101
AIDAR 702.170-13

Glossary Terms for 331

Acquisition

Means the acquiring by contract with appropriated funds of supplies or services (including construction) by and for the use of the Federal Government through purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated. Acquisition begins at the point when agency needs are established and includes the description of requirements to satisfy agency needs, solicitation and selection of sources, award of contracts, contract financing, contract performance, contract administration, and those technical and management functions directly related to the process of fulfilling agency needs by contract. (Chapter 331)

Agency Head

(see "Head of the Agency"). (Chapter 331)

Approving Official

The approving official is the individual responsible for reviewing an Agency bank card holder's monthly statements. The approving official will certify the cardholder's monthly statements and ensure that payments are for purchases which are authorized and made in accordance with FAR and agency regulations. (Chapter 331)

Certificate of Appointment (SF 1402)

A document, also referred to as a warrant, used to re-delegate purchasing authority (see also WARRANT). (Chapter 331)

Contract

A mutually binding legal relationship obligating the seller to furnish the supplies or services (including construction) and the buyer to pay for them. It includes all types of commitments that obligate the Government to an expenditure of appropriated funds and that, except as otherwise authorized, are in writing. In addition to bilateral instruments, contracts include (but are not limited to) awards and notices of awards; job orders or task letters issued under basic ordering agreements; letter contracts; orders, such as purchase orders, under which the contract becomes effective by written acceptance or performance; and bilateral contract modifications. Contracts do not include grants and cooperative agreements covered by 31 U.S.C. 6301, et seq. For discussion of various types of contracts, see Part 16. (Chapter 331)

Contract Administration Office

Means an office that performs (a) assigned post-award functions related to the administration of contracts and (b) assigned pre-award functions. (Chapter 331)

contracting activity

Means an element of an agency designated by the agency head and delegated broad authority regarding acquisition functions. In USAID, the contracting activities consist of the Office of Procurement (M/OP), the Office of Foreign Disaster Assistance

(BHR/OFDA), the Center for Human Capacity Development in the Global Bureau (G/HCD), and each overseas post (see AIDAR 702.170-3). (Chapter 331)

Contracting Office

Means a person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. The term includes certain authorized representatives of the contracting officer acting within the limits of their authority as delegated by the contracting officer. "Administrative contracting officer (ACO)" refers to a contracting officer who is administering contracts. "Termination contracting officer (TCO)" refers to a contracting officer who is settling terminated contracts. A single contracting officer may be responsible for duties in any or all of these areas. Reference in this regulation to administrative contracting officer or termination contracting officer does not (a) require that a duty be performed at a particular office or activity or (b) restrict in any way a contracting officer in the performance of any duty properly assigned. (Chapter 331)

contracting officer (See also, Agreement Officer)

A person representing the U.S. Government through the exercise of his/her delegated authority to enter into, administer, and/or terminate contracts and make related determinations and findings. This authority is delegated by one of two methods: to the individual by means of a "Certificate of Appointment", SF 1402, as prescribed in FAR 1.603-3, including any limitations on the scope of authority to be exercised, or to the head of each contracting activity (as defined in AIDAR 702.170), as specified in AIDAR 701.601. (Chapters 302, 331)

Delegation of Authority

A document similar to a warrant used to re-delegate purchasing authority within specified limits to designated Cardholders. (Chapter 331)

Expendable Supplies

A term synonymous with consumable supplies that refers to items that are expected to be fully consumed through use and are not subject to be tracked by established inventory systems. (Examples of such supplies are: pens, pencils, paper products, diskettes, tape, etc.) (Chapter 331)

Head of the Agency

Means the Secretary, Attorney General, Administrator, (also called Governor, Chairperson, or other chief official of "agency head"): an executive agency, unless otherwise indicated, including any deputy or assistant chief official of an executive agency; and the term "authorized representative" means any person, persons, or board (other than the contracting officer) authorized to act for the head of the agency or Secretary. (Chapter 331)

Head of the Contracting Activity (HCA)

The official who has overall responsibility for managing the contracting activity. AIDAR 702.170-10 lists each HCA in USAID and the limits on the contracting authority for each

are listed in AIDAR 706.601. Also see Contracting Activity. (Chapters 302, 330, 331)

I.M.P.A.C. International Merchant Purchase
Agreement Card

Offer

Means a response to a solicitation that, if accepted, would bind the offeror to perform the resultant contract. Responses to invitations for bids (sealed bidding) are offers called "bids" or "sealed bids;" responses to requests for proposals (negotiation) are offers called "proposals;" responses to requests for quotations (negotiation) are not offers and are called "quotes." For unsolicited proposals, see Subpart 15.5. (Chapter 331)

Simplified Acquisition Procedures (SAP)

A term, formerly known as Small Purchasing Procedures, which identifies the methods used for making simplified acquisitions such as imprest, Agency bank card purchases, purchase orders, and Blanket Purchase Agreements (as prescribed in the Federal Acquisition Regulation [48 CFR 1] Part 13) to streamline the process of purchasing. (Chapter 331)

Simplified Acquisition Threshold (SAT)

\$100,000, except that in the case of any contract to be awarded and performed, or purchase to be made, outside the United States in support of a contingency operation (as defined in 10 U.S.C. 101(a)(13)) or a (U.S. military) humanitarian or peacekeeping operation (as defined in 10 U.S.C. 2302(7) and 41 U.S.C. 259(d)), the term means \$200,000. Limited to \$50,000 after December 31, 1999, unless the agency has certified full FACNET capability in accordance with FAR 4.505-2. This limitation does not apply to acquisitions of commercial items conducted using FAR Subpart 13.6. (Chapter 331)

Supplies

Means all property except land or interest in land. It includes (but is not limited to) public works, buildings, and facilities; ships, floating equipment, and vessels of every character, type, and description, together with parts and accessories; aircraft and aircraft parts, accessories, and equipment; machine tools; and the alteration or installation of any of the foregoing. (Chapter 331)

Warrant

A Certificate of Appointment (SF-1402) used to re-delegate purchasing authority (see also, 331.4, Certificate of Appointment). All warrants issued shall be available for examination by the public or USAID personnel. (Chapter 331)